

Reserve

FARM MANAGEMENT EXTENSION SESSION OF THE AMERICANFARM ECONOMICS ASSOCIATION MEETING *

Green Lake, Wisconsin -- September 11-13, 1947

Carl Malone, Iowa State College, Chairman

QUESTION NUMBER I

In view of the major problems farmers will face during the next few years, what farm management extension programs should have priority?

(Summary of remarks made by a panel composed of L.A. Bradford, University of Kentucky; L. C. Cunningham, Cornell University; J.C. Poneth, Michigan State College; and Roy E. Proctor, University of Georgia.)

Farm Management Problems and Projects Deserving Priority in the State of Kentucky
--L. A. Bradford**

May I state what I consider to be four fundamental bases for extension work in farm management:

First, the method must fit the subject matter. For example, we found group meetings of farmers in unlimited numbers excellently suited for taking the management practices in tobacco production to growers. The same method would be unsuited for farm account book work.

The second fundamental applies to the attitude of the extension worker. It must be optimistic. Workers in the field of the so-called "dismal science," sometimes have difficulty in maintaining an optimistic viewpoint and basic honesty at the same time. Truth about farm incomes and farm returns, especially when gleaned from averages, is not always pleasant. Forecasting disaster because of expected price declines is not popular. However, there is a good side to all situations, particularly short run, and the good extension specialist searches for it and gives it emphasis.

The third fundamental is that the methods need to have a psychological appeal through good timing, special interest, seasonality, or other decision-making situations, that is, farm managers need help most when making decisions--not before, not after. Too much of all phases of educational work in farm management has been on long run or organizational functions. The traditional famous "five factors affecting earnings" have little or no psychological appeal.

* Summarized by Luke M. Schruben, Senior Extension Economist, Washington 25, D.C.

** Professor Bradford reported that he was not now doing extension work, but that he was very much interested in the problems of farm management extension.

The fourth fundamental is to approach through a unit of interest, or a farm management practice. Farmers' interest in farm management in the abstract has been somewhat disappointing except when the subject has been presented to selected groups through organized farm management schools or at least through a series of meetings.

Farm Management Problems and Projects Deserving Priority in the State of New York

--L. C. Cunningham

I am a representative of, but not representing, my neighboring States of the Northeast.

Major economic problems as they appear to farmers on commercial farms in New York:

1. An unstable price level.
Keeping business adjusted to these changing relationships of prices and costs.
2. Inter- and intraregional competition in farming: for example, in poultry, what are advantages and disadvantages and what changes are occurring. Information on choice and combination of enterprises.

The main extension programs being carried in New York in an effort to help farmers solve these problems are:

1. Individual farm organization analysis, especially for young farmers, through (a) farm business accounts and (b) farm business charts.

These are used to determine wise use of labor, proper combination of enterprise, financial planning, and the like. For this we have the backing of adequate and up-to-date research. We expect to give county agents better training. We are on a 3-year basis in any county.

2. Economic outlook work made available through (a) annual bulletin, (b) periodic commodity reviews, and (c) county agent outlook schools.

We lack adequate price research to do the type of work we would like to do in outlook.

3. Correlation of extension program at State and county levels of various subject-matter departments for farmers. Example; in New York we have attacked this problem by setting up college commodity committees and county commodity committees. State and county commodity extension programs are being developed by these committees. Our fall milk production program is one product of the commodity committee effort. A film "The Challenge to New York Dairymen" which some of you may have seen is used in connection with that program.

Farm Management Problems and Projects Deserving Priority in the State of Michigan

-- J. C. Doneth

"A large share of the time of farm management people has gone into farm organization and operation, and some wonder if these are the most critical problems that face farmers today." This is a statement quoted from a recent farm management report. I say they are, because the farm management man that can really sit down with a farmer and help him with his problems is a find. There is nothing simple or easy about this. In fact, nothing is more difficult.

Getting back to the projects being emphasized in Michigan:

- (1) Our program is being built around the management and operation problems of the individual farm.
- (2) Helping those trying to get established in farming; that is, veterans, other young farmers, and some city folks--the farmers of tomorrow.
- (3) Providing farmers with current economic and outlook information.
- (4) Providing information and facts on new technology, especially the economic possibilities and limitations.
- (5) Providing information and facts on area trends and shifts.
- (6) Providing help on tenure problems, such as:
 - (a) Transfer of farms from one generation to the next.
 - (b) Father-son agreements.
 - (c) Lease arrangements--creating better understanding between tenants and landlord.
 - (d) Efforts to improve the lot of the tenant and also to improve landlord-housing, bookkeeping, farm conservation, and so on.
- (7) Providing help in program planning and program building within the Extension Service and in cooperation with other agencies on problems of mutual interest.
- (8) Providing help in income tax problems.
- (9) Farm insurance problems.

We would like to know more about:

- (1) How should the time of our farm management people be used? Division of project responsibility. Area or geographical division and responsibility. What changes should be made?
- (2) What proportion of the time of our county extension staffs is being devoted to farm management work? Should this be changed, and how?

(3) What methods should be used to accomplish the most with different phases of farm management work? Can we better reach larger numbers of people and especially lower-income and youth groups by one or more of the following activities, or are there others that will accomplish more?

- (a) Farm and home planning--this includes trying to work with the home economics extension workers.
- (b) Farm records.
- (c) Training county agents and other leaders.
- (d) Working with research people and other departments.
- (e) Working with other agencies, such as SCS.
- (f) Visual aids.

Farm Management Problems and Projects Deserving Priority in the State of Georgia

--R. E. Proctor

Farmers appear reluctant to assume a price relationship for the future that would dictate shifting from a cotton to a livestock type of farm. It is well to remember that raw crops, particularly cotton, are well suited to this area. Livestock are important in the farm organization, but cotton is still the principal source of income. The place of livestock must be determined largely by the available capital, the size of the farm, the suitability of the land for pasture and feed crops, the capability of the operator to manage another enterprise and the availability of markets for livestock or livestock products.

With this brief preliminary statement, the projects and problems deserving priority in Georgia appear to be:

- (1) Adjustments in types and systems of farming due to impact of
 - (a) changed consumers' demand, (b) changed labor volume and quality, (c) technological development of farm equipment, (d) shifts in cost-price relationships which embody these and other economic stimuli, and maybe (e) business principles associated with ease of securing wise credit.
- (2) Feed production to keep pace with livestock increases outside the Flatwoods and Coastal Plains area. This includes hay production, harvest, economic grain production or imports, and development of lower-cost pastures.
- (3) Man-mule cotton production at world prices versus mechanical production on level-land areas; or more cost-price relationships.
- (4) Case history of adjustment problems and results.

QUESTION NUMBER II

How can extension farm management programs be kept consistent with public policy needs and decisions?

(Summary of remarks made by panel composed of G.W. Westcott, University of Massachusetts and J. Carroll Bottum, Purdue University.)

How Should Extension Economic Programs be Adjusted to be Consistent With Public Policy Needs and Decisions?--G. W. Westcott

It is evident to many that we are not living in a stable, settled time, but in a time of upheaval, distress, and crisis. This was true during the interim of the two world wars. And there is certainly nothing in our world of the later 1940's to suggest that we have yet arrived at the threshold of political economic stability. How well do we understand these times? What enlightenment can we gain from perspective?

We are all conscious of the acceleration in the rate of technical development which in turn accelerates the rate of social change. For example, the last 30 years have brought about more technical change than was witnessed during the first 300 years of American history, which in turn created more change than the previous 3,000 years of Western history. Man's control of the forces of nature has progressed far more rapidly than his capacity to use them in the common interest. It is no wonder that we are confronted with a world made one technologically before it is made one in spirit through social and economic cooperation.

But what has all this to do with the adjustment of extension economic programs? As long as the farm management objective remains unchanged, namely, to optimize the farm income over the long run (and the "long run" necessarily brings in the conservation concept), then the principles of production organization remain unchanged and there can be no need for adjustment in the teaching of our subject matter.

But the farmer applies these principles to the data representing his external environment, some of which is "given" as of the present and much of which has to be estimated as future expectations based on his knowledge of past and present behavior. There is always a conflict between the individual firm, which, in the short run, tends to remain relatively static and inflexible, and the shifting economic environment of the outside world. Along with innovating new techniques making for more outputs per inputs, it may be said that management's other function is to adjust the conflicts between its present organization and its external environment. This is a continuous process, for this environment is ever changing.

General economic extension work deals largely with phenomena that originate outside the farmer's line fences. Some of it is complex. Much of it is controversial. But this does not excuse the farmer from making decisions based on economic facts and inferences--decisions applied to the internal management of his own business, and decisions applied to the social problems of the community, the State, the Nation, or the world.

Since group action becomes more and more prominent with technological developments, increasing productivity, and higher living standards, then the farmer's role in formulating group decisions becomes relatively more important. The formulation of sound coordinated rural policies rests squarely on the foundation of education.^{1/} This we commonly term policy making.

1/ George W. Westcott, Postwar Extension Problems in General Agricultural Economics, Journal of Farm Economics, vol. XXVIII, No. 1, February 1946, pp. 199-212.

This type of education (which has been termed in the field of research as "programmatic"^{2/}) does call for some shift in commonly accepted extension teaching techniques, including greater use of the discussion group method and audiovisual aids. All viewpoints must be presented objectively. In this field especially the end educational result must be to provide rural people with the facilities that will enable them to learn to think through social and economic problems on their own.^{3/}

We cannot overemphasize the importance of additional work in this field. And when we urge that more attention be given here it does not mean that less work should be done in farm management and marketing. It does mean broader programs for all extension economists, whether they be generalists or specialists in farm management or marketing.

It may be true that an enlightened agricultural public and its leadership cannot alone "save the nation," or the world. But that does not excuse farmers from assuming their share of responsibility in developing progressive social and economic policies for themselves, the Nation, and internationalism. For example, they must learn to appreciate the consequences of inflation, price supports, and restrictive policies to the cause of international cooperation.

It is only with all groups--agriculture, labor, and industry--working together that we can hope to achieve economic and social statesmanship which will insure the realization of a stable productive economy which is absolutely essential if we are to maintain our position in developing a workable world peace. For farmers this is the greatest stake of all.

Extension Farm Economists' Responsibilities in Connection With Problems in the Field of Public Policy--J. Carroll Bottum

The responsibilities of extension economists in the field of public policy can probably best be considered in relation to problems that are of such a nature that they cannot be solved by the farmer's and his family's individual action. In other words, they are problems that go beyond his immediate control. Today these problems are, in many cases, more important to the welfare of the farmer and his family than are many of the technologies which he can incorporate into his business without considering the actions of other people.

We, as extension workers, must help farmers incorporate programs and policies into their thinking and action in such a way that they will result in the greatest advantage to them. The same thing is now being done with new technologies as they come along.

Farm people not only have the responsibility of applying programs and policies to their own business, but also the responsibility as citizens of formulating public policy decisions. To be able to do this, farm people must be informed about the various types of programs being considered and their implications if they are to make intelligent decisions and exhibit sound leadership in the

^{2/} Charles M. Hardin, Programmatic Research and Agricultural Policy, *Journal of Farm Economics*, vol. XXIX, No. 2, May 1947, pp. 359-383.

^{3/} See op. cit. footnote 1 for more adequate treatment of this subject.

drafting of policy programs. After policies have been formulated, farmers then need to incorporate those programs to their own advantage. Economics extension workers must, in carrying out their obligations in this field, affect people. This implies that their work must go a great deal deeper than the adoption of recommended practices. It must go deep enough to provide farm people with basic facts underlying the needs for certain programs and provide them with such information as will enable them to make intelligent decisions.

In summary it is my conviction that the need for additional work in the field of public policy is much greater today than it was a few years back when our society was less complex. It is not our responsibility to provide the answers to all the problems, or as far as that is concerned, to provide answers to any of the problems, but rather it is our responsibility to provide information of an unbiased nature so that farm people can arrive at a correct answer.

Summary of the Discussion Following the Two Panel Presentations

(Owing to the lateness of the hour this discussion dealt primarily with the program for another year, rather than being a full discussion of the comments made by each of the speakers.)

Those in attendance were in unanimous agreement that we should request that the 1948 annual meeting program of the American Farm Economics Association include a session on extension economics. Pertinent comments regarding the session are summarized as follows:

- (1) That the meeting next year present the problems of extension economics very briefly, devoting the main emphasis to what is being done about them, what techniques are being used, and what programs are successful.
- (2) That the program be much more pointed as to methods and procedures.
- (3) That the more effective techniques be explored and outlined in considerable detail.
- (4) That we devote our time and attention to how to do the jobs related to certain problems rather than discuss the problems.
- (5) That we limit the program to one or two major problems and then assign a panel to be responsible for discussing the techniques for carrying on educational work related to those problems.

